

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Ringsted Communications Company)	WC Docket No. 08-71
)	
Petition for Waiver of Section 54.307(c))	DA 10-2157
of the Commission's Rules)	

**NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
INITIAL COMMENTS**

The National Telecommunications Cooperative Association (NTCA)¹ submits these comments pursuant to the November 9, 2010 Public Notice by the Federal Communications Commission (the Commission)² regarding the petition³ of Ringsted Communications Company (Ringsted) for waiver of the March 30, 2010 filing deadline set forth in Section 54.307(c) of the Commission's rules for receipt of universal service funds. NTCA respectfully asserts that Ringsted has shown good cause for the Commission to grant the requested waiver and urges the Commission to allow Ringsted to receive the High Cost Loop (HCL), Local Switching Support (LSS), Interstate Common Line Support (ICLS) and Safety Net Additive (SNA) for the third and fourth quarters of 2010 to which it is otherwise entitled.

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 580 rural rate-of-return regulated telecommunications providers. All of NTCA's members are full service local exchange carriers (LECs) and many of its members provide wireless, cable, Internet, satellite, and long distance services to their communities. Each member is a "rural telephone company" as defined in the Communications Act of 1934, as amended (Act). NTCA's members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² *Wireline Competition Bureau Seeks Comment on the Ringsted Communications Company Petition for Waiver of a Universal Service High-Cost Filing Deadline*, WC Docket No. 08-71, DA 10-2157 (rel. November 9, 2010) (Public Notice).

³ *Ringsted Communications Company Petition for Waiver of Section 54.307(c) of the Commission's Rules*, WC Docket No. 08-71, (filed October 28, 2010) (Petition).

I. BACKGROUND.

Ringsted is an incumbent local exchange carrier (ILEC) serving the high cost, rural exchange of Ringsted, Iowa for over 95 years. Ringsted also operates as a wireless service provider in rural Iowa. As of September 30, 2010, the company serves 54 wireless customers.

Ringsted was granted competitive ETC status by the Iowa Utilities Board on December 29, 2009, making the company eligible to receive high cost support for its wireless operations. The Company filed the Form 525 which was due December 31 within 60 days of being designated an ETC, per Section 54.307(d) of the Commission's rules.⁴

However, as the result of a typing error in the instruction from its consultant, Ringsted mistakenly believed that the deadline for the Form 525 filing due at the end of the first quarter was March 31, 2010, rather than March 30. The filing was subsequently received by the FCC and USAC on March 31, one day late.

Consequently, Ringsted estimates the loss of HCL, LSS, ICLS and SNA would be a total of approximately \$2,280 over the third and fourth quarters of 2010, as the March Form 525 filing affects both third and fourth quarter support.⁵ While this sum may seem trivial, it represents nearly 25% of Ringsted's 2009 wireless revenues.⁶

II. RINGSTED HAS SHOWN GOOD CAUSE MERITING RELIEF, AND WAIVER OF THE FILING DEADLINE IS IN THE PUBLIC INTEREST.

Ringsted has demonstrated good cause to grant the waiver and that the waiver, in this situation, is in the public interest. There is no pattern of abuse, and no intent to defraud. It is readily apparent that the missed reporting deadline was the result of a miscommunication.

⁴ *Id.*, p. 2.

⁵ *Id.*, p. 5.

⁶ *Ibid.*

Despite the misunderstanding, the Form 525 was submitted but a single day beyond the deadline. Since then, both the July and September Form 525 filings have been submitted prior to their respective deadlines.

Ringsted has subsequently taken steps to implement new internal procedures to ensure future compliance.⁷ These include making use of USAC's online Form 525 filing system, which eliminates the need to mail the form and gives Ringsted immediate confirmation of acceptance, and also establishing new procedures whereby multiple individuals, both at Ringsted and its consultant, will be responsible for ensuring that future filings are certified and submitted on a timely basis.⁸

Granting Ringsted's Petition and allowing it to collect HCL, LSS, ICLS, and SNA serves the public interest. The Commission may waive any of its rules for good cause shown,⁹ such as where strict compliance to a filing deadline is inconsistent with the public interest. As Ringsted itself notes, "Revenue losses, even of this magnitude, are extremely onerous and disruptive for small, rural companies especially when their major expenses, such as lease agreements, are fixed, not giving them many cost reduction options."¹⁰ Denying Ringsted these funds will unfairly jeopardize its ability to maintain quality service in such an expansive rural area, contrary to the public interest.

Ringsted has met the burden of showing good cause in this particular matter. Granting Ringsted's waiver petition is in the best interests of the consumers it serves, and the requested relief will not harm any other providers.

⁷ *Id.*, p. 4-5.

⁸ *Ibid.*

⁹ 47 C.F.R. § 1.3.

¹⁰ Petition, p. 6.

III. RINGSTED HAS CONSISTENTLY ACTED IN THE SPIRIT OF THE UNIVERSAL SERVICE PROGRAM, AND SHOULD NOT BE UNDULY PENALIZED AS THE RESULT OF A SINGLE, HONEST MISTAKE.

The ultimate goal of the universal service program is to provide rural consumers with the comparable quality of service available in non-rural areas, at reasonable prices. Typically, rural areas are much more expensive to serve due to lower population densities, geographic barriers, and a general absence of the economies of scope and scale that benefit those providers serving non-rural areas. Often, it is only the receipt of universal service support that makes it possible for a provider to serve its highest-cost customers. Without that support, many customers living in the most remote and highest-cost areas would go unserved.

Rightfully, the Commission has recently taken steps to address any fraud and waste that may threaten the overall viability of the universal service program. Carriers need to realize that receiving universal service funding also compels them to comply with any information requests that USAC or the Commission might impose, fully and in a timely manner. Repeated or intentional flaunting of these requirements would certainly warrant the imposition of punitive actions.

It would be unfair and unjust to penalize Ringsted, which has an otherwise unblemished record, for a single error. Punitive action taken against such a carrier will have the unfortunate consequence of causing harm to that carrier's customers, and possibly limiting the quality and/or variety of telecommunications services the customers may receive.

Ringsted has a long and distinguished record of service to its community. This has been largely accomplished as the result of carefully planned financial investments made for the benefit of customers. Compromising Ringsted's financial position through the withholding of universal service funds resulting from a simple and honest mistake will ultimately harm its

ability to provide high-quality, affordable service to those customers, contrary to the spirit and intent of the universal service program.

IV. CONCLUSION.

For the above-noted reasons, NTCA respectfully requests that the Commission grant Ringsted's waiver petition and allow Ringsted to receive the third and fourth quarter 2010 HCL, LSS, ICLS, and SNA support to which it is otherwise entitled.

Respectfully submitted,



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December 9, 2010

CERTIFICATE OF SERVICE

I, Adrienne L. Rolls, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in WC Docket No. 08-71, DA 10-2157, was served on this Ninth day of December 2010 via electronic mail to the following persons:

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